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## **Aide says lack of AZ budget would hit workers**

PHOENIX (AP) -- The lack of a new budget when the next fiscal year begins July 1 would cost thousands of state workers their jobs and mean no paychecks for others, according to sobering what-if assessments provided to lawmakers Tuesday.

More than 30,000 workers in the state's main personnel system would lose their jobs at least temporarily and several thousand more would be laid off, depending on their employment status, Administration Director Bill Bell said.

And even though thousands of additional state employees work for agencies that already have funding approved for the next fiscal year, the agencies that process paychecks and other state spending don't have that status and would be idled by a shutdown, Treasurer Dean Martin said. "We must shut down and close."

The paycheck for the current pay period is scheduled for July 2, meaning it also would be affected by a shutdown, Bell said. "We will be unable to pay them their last paycheck."

The state has come close to starting a fiscal year without a budget but never actually done so in the past two decades. And this year's budget crisis is particularly difficult for lawmakers to resolve because the projected shortfall of roughly \$2 billion is about one-fifth of what would normally be a \$10 billion budget.

And though Bell and lawmakers expressed varying degrees of hope or expectation that a new budget would be approved on time, the Legislature's budget director issued a gloomy analysis of the state's fiscal prospects.

Though the Legislature has already approved a \$1.2 billion fix to the current fiscal year's budget, it's unclear whether that budget will end in the black, said Richard Stavneak, Joint Legislative Budget Committee executive director.

"There's a possibility that could be negative," Stavneak said.

Though the fix included setting aside \$364 million for use in case revenue expected by the end of the fiscal year on June 30 falls short, three-quarters of that amount has already been used up by the end of May, with June still to go, Stavneak said.

"We're not sure we've reached bottom yet," he said.

Possible steps to avoid bottom-line red ink include delaying additional state payments to schools to the next fiscal year, he said.

A possible boost to state sales tax collections from consumer spending of federal stimulus payments is a wild card as the current fiscal winds down, Stavneak said.

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